

**Muscatine Power and Water**

**Electric Utility**

**Operating Statements and Balance Sheets**

**December 2012  
(Unaudited)**

**Muscatine Power and Water  
Electric Utility**

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**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Current Month - December 2012**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	91,810,344	(10.6)	82,072,006	1.6	80,810,367
Less: Plant Use	<u>7,835,064</u>	31.4	<u>10,295,516</u>	7.6	<u>9,570,362</u>
Net Generation/Wholesale Sales	<u>83,975,280</u>	(14.5)	<u>71,776,490</u>	0.8	<u>71,240,005</u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	65.00	(22.4)	50.44	10.3	45.73
Unit 8/8A	---	---	33.32	(5.6)	35.29
Unit 7	30.00	-1.0X	---	-1.0X	32.84
Total Plant	49.03	(14.5)	41.92	1.0	41.50
<b><u>KWH Distribution</u></b>					
Residential	8,403,889	(4.9)	7,990,851	(6.6)	8,559,971
Commercial I	3,094,880	(2.9)	3,006,300	1.3	2,967,002
Commercial II	8,128,074	(1.0)	8,048,921	1.7	7,918,119
Industrial I	8,565,526	(5.9)	8,058,640	(5.9)	8,567,140
Industrial II	37,636,344	(0.1)	37,588,965	(2.7)	38,636,699
City Enterprise Funds	509,182	(30.2)	355,389	(14.9)	417,402
Water & Communications Utilities	<u>1,294,304</u>	(1.3)	<u>1,277,418</u>	7.8	<u>1,185,537</u>
Native System Sales	67,632,199	(1.9)	66,326,484	(2.8)	68,251,870
City Lighting	168,907	(3.5)	162,920	(1.4)	165,237
City Buildings	550,095	(0.7)	546,100	(1.1)	552,136
Offline Power Plant Usage	---	---	143,972	(60.7)	365,932
Losses & Cycle Billing	<u>3,334,085</u>	(7.4)	<u>3,086,272</u>	10.6	<u>2,790,830</u>
Total Native System KWH Distributed/Purchased Power	<u>71,685,286</u>	(2.0)	<u>70,265,748</u>	(2.6)	<u>72,126,005</u>
<b><u>STEAM SALES - 1000 lbs</u></b>	<u>---</u>	---	<u>238,279</u>	(6.7)	<u>255,295</u>

**Muscatine Power and Water - Electric Utility**  
**Classification of Electric Energy/Steam Sales**  
**Calendar Year-to-Date - December 2012**

	<u>Budget</u> <u>Estimate</u>	<u>% Increase</u> <u>(Decrease)</u> <u>From Budget</u>	<u>This</u> <u>Year</u>	<u>% Increase</u> <u>(Decrease)</u> <u>Fr. Last Yr.</u>	<u>Last</u> <u>Year</u>
<b><u>KWH Generated and Sold</u></b>					
Gross Generation	1,114,117,391	(30.6)	773,019,019	(18.0)	942,540,698
Less: Plant Use	<u>105,539,169</u>	(11.1)	<u>93,778,796</u>	(6.7)	<u>100,564,672</u>
Net Generation/Wholesale Sales	<u><u>1,008,578,222</u></u>	(32.7)	<u><u>679,240,223</u></u>	(19.3)	<u><u>841,976,026</u></u>
<b><u>Net Capacity Factors</u></b>					
Unit 9	62.47	(42.3)	36.03	(13.4)	41.60
Unit 8/8A	14.11	1.7X	37.71	(21.6)	48.09
Unit 7	29.49	(67.3)	9.63	(67.2)	29.35
Total Plant	49.88	(32.7)	33.59	(19.3)	41.63
<b><u>KWH Distribution</u></b>					
Residential	100,297,045	5.5	105,778,631	(1.1)	106,974,433
Commercial I	38,648,285	(0.5)	38,438,931	(1.1)	38,883,510
Commercial II	103,496,391	(3.3)	100,039,238	(2.0)	102,064,237
Industrial I	114,855,068	1.2	116,194,040	(2.7)	119,390,280
Industrial II	443,510,381	1.2	448,869,206	(0.9)	452,900,072
City Enterprise Funds	5,697,971	(28.0)	4,104,965	(21.5)	5,227,385
Water & Communications Utilities	<u>15,967,436</u>	(6.4)	<u>14,943,292</u>	(2.9)	<u>15,389,168</u>
Native System Sales	822,472,577	0.7	828,368,303	(1.5)	840,829,085
City Lighting	2,028,118	(1.0)	2,007,116	1.5	1,977,475
City Buildings	6,257,462	3.6	6,484,681	1.2	6,405,336
Offline Power Plant Usage	887,040	5.9X	6,114,033	(2.5)	6,270,591
Losses & Cycle Billing	<u>26,765,541</u>	(12.2)	<u>23,513,012</u>	(2.2)	<u>24,033,132</u>
Total Native System KWH Distributed/Purchased Power	<u><u>858,410,738</u></u>	0.9	<u><u>866,487,145</u></u>	(1.5)	<u><u>879,515,619</u></u>
 <b><u>STEAM SALES - 1000 lbs</u></b>	 <u><u>1,240,925</u></u>	 1.1X	 <u><u>2,642,142</u></u>	 (5.9)	 <u><u>2,807,744</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Current Month - December 2012**

	<u>Budget Estimate</u>	<u>Avg. Price</u>	<u>This Year</u>	<u>Avg. Price</u>	<u>Last Year</u>	<u>Avg. Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$763,484	0.0908	\$754,854	0.0945	\$706,216	0.0825
Commercial I	252,337	0.0815	244,764	0.0814	239,276	0.0806
Commercial II	495,435	0.0610	479,203	0.0595	476,875	0.0602
Industrial I	490,412	0.0573	452,965	0.0562	456,613	0.0533
Industrial II	1,762,912	0.0468	1,767,414	0.0470	1,742,109	0.0451
City Enterprise Funds	29,481	0.0579	21,883	0.0616	24,571	0.0589
Water & Communication Utilities	62,421	0.0482	62,866	0.0492	59,292	0.0500
Native System Sales	3,856,482	0.0570	3,783,949	0.0571	3,704,952	0.0543
Wholesale Sales	2,323,127	0.0277	1,794,562	0.0250	1,788,217	0.0251
Energy Sales	<u>6,179,609</u>		<u>5,578,511</u>		<u>5,493,169</u>	
Steam Sales	<u>---</u>		<u>882,364</u>	3.70	<u>935,031</u>	3.66
<b><u>Other Revenue</u></b>						
Rail Car Lease	33,333		76,894		34,515	
By-Product Revenue	10,366		8,432		13,730	
Miscellaneous Revenue	40,089		37,090		48,797	
Total Other Revenue	<u>83,788</u>		<u>122,416</u>		<u>97,042</u>	
Operating Revenue	<u>6,263,397</u>		<u>6,583,291</u>		<u>6,525,242</u>	
<b><u>Operating Expense</u></b>						
Purchased Power	1,751,324	0.0244	1,508,251	0.0215	1,547,763	0.0215
Production Fuel	1,966,669		1,994,666		2,029,405	
Emissions Allowance	---		(37,535)		5,177	
Operation	1,871,773		1,834,196		1,787,154	
Maintenance	784,893		666,061		710,293	
Depreciation	936,021		929,362		921,606	
Total Operating Expense	<u>7,310,680</u>		<u>6,895,001</u>		<u>7,001,398</u>	
Operating Loss	<u>(1,047,283)</u>		<u>(311,710)</u>		<u>(476,156)</u>	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	123,140		104,491		110,077	
Interest Expense	(93,913)		(91)		(63,184)	
Total Nonoperating Revenue (Expense)	<u>29,227</u>		<u>104,400</u>		<u>46,893</u>	
Net Loss Before Revenue Adjustment and Capital Contributions	<u>(1,018,056)</u>		<u>(207,310)</u>		<u>(429,263)</u>	
Capital Contributions	---		9,159		1,672	
Revenue Adjustment-Extraordinary O&M	<u>(2,274,981)</u>		<u>---</u>		<u>(10,032,866)</u>	
Change in Net Position	<u>(3,293,037)</u>		<u>(198,151)</u>		<u>(10,460,457)</u>	
Beginning Net Position	<u>154,399,745</u>		<u>164,237,702</u>		<u>172,837,717</u>	
Ending Net Position	<u>\$151,106,708</u>		<u>\$164,039,551</u>		<u>\$162,377,260</u>	
Net Loss Before Rev Adj and Cap Contributions to Op Revenue	(16.3)		(3.2)		(6.6)	
Change in Net Position to Operating Revenue	(52.6)		(3.0)		(160.3)	
Debt Service Coverage Before Revenue Adj	0.13		N/A		0.48	fn3
Debt Service Coverage After Revenue Adj	(1.94)		N/A		(8.12)	fn3

fn1 Includes an adjustment to unbilled revenues of \$18,758 and (\$1,233) for residential and commercial I customers, respectively.

fn2 Excludes an adjustment to unbilled revenues of (\$2,867) and \$1,785 for residential and commercial I customers, respectively.

fn3 No longer applicable; final principal and interest paid on 12/28/11.

**Muscatine Power and Water - Electric Utility**  
**Statements of Revenues, Expenses, and Changes in Net Position**  
**Calendar Year-to-Date - December 2012**

	<u>Budget</u> <u>Estimate</u>	<u>Avg.</u> <u>Price</u>	<u>This</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>	<u>Last</u> <u>Year</u>	<u>Avg.</u> <u>Price</u>
<b><u>Sales of Electricity</u></b>						
Residential	\$8,673,820	0.0865	\$9,142,470	0.0864	\$8,344,077	0.0780
Commercial I	3,113,011	0.0805	3,100,166	0.0807	3,066,855	0.0789
Commercial II	6,207,431	0.0600	5,983,338	0.0598	6,000,684	0.0588
Industrial I	6,234,578	0.0543	6,078,164	0.0523	5,998,530	0.0502
Industrial II	20,395,752	0.0460	20,599,304	0.0459	19,975,768	0.0441
City Enterprise Funds	323,062	0.0567	253,285	0.0617	297,371	0.0569
Water & Communications Utilities	<u>760,492</u>	0.0476	<u>748,797</u>	0.0501	<u>745,418</u>	0.0484
Native System Sales	45,708,146	0.0556	45,905,524	0.0554	44,428,703	0.0528
Wholesale Sales	<u>35,303,820</u>	0.0350	<u>19,116,472</u>	0.0281	<u>27,669,624</u>	0.0329
Energy Sales	<u>81,011,966</u>		<u>65,021,996</u>		<u>72,098,327</u>	
<b><u>Steam Sales</u></b>	<u>6,151,798</u>	4.96	<u>9,590,557</u>	3.63	<u>9,790,795</u>	3.49
<b><u>Other Revenue</u></b>						
Rail Car Lease	400,000		857,659		383,153	
By-Product Revenue	255,070		519,450		321,333	
Miscellaneous Revenue	<u>514,488</u>		<u>601,064</u>		<u>617,675</u>	
Total Other Revenue	<u>1,169,558</u>		<u>1,978,173</u>		<u>1,322,161</u>	
Operating Revenue	<u>88,333,322</u>		<u>76,590,726</u>		<u>83,211,283</u>	
<b><u>Operating Expense</u></b>						
Purchased Power	27,468,051	0.0320	19,100,202	0.0220	24,756,612	0.0281
Production Fuel	24,910,201		19,910,508		22,518,807	
Emissions Allowance	---		43,881		299,625	
Operation	22,614,436		21,189,867		20,401,173	
Maintenance	11,448,660		8,809,365		13,331,578	
Depreciation	<u>11,232,266</u>		<u>11,152,344</u>		<u>11,059,272</u>	
Total Operating Expense	<u>97,673,614</u>		<u>80,206,167</u>		<u>92,367,067</u>	
Operating Loss	<u>(9,340,292)</u>		<u>(3,615,441)</u>		<u>(9,155,784)</u>	
<b><u>Nonoperating Revenue (Expense)</u></b>						
Interest Income	1,471,682		1,258,149		1,315,863	
Interest Expense	(1,126,961)		(1,519)		(759,976)	
Gain on Land Disposal	---		---		490	
Total Nonoperating Revenue (Expense)	<u>344,721</u>		<u>1,256,630</u>		<u>556,377</u>	
Net Loss Before Revenue Adjustment and Capital Contributions	<u>(8,995,571)</u>		<u>(2,358,811)</u>		<u>(8,599,407)</u>	
Capital Contributions	---		21,102		12,059	
Revenue Adjustment-Extraordinary O & M	<u>(2,274,981)</u>		<u>4,000,000</u>		<u>7,122,296</u>	
Change in Net Position	<u>(11,270,552)</u>		<u>1,662,291</u>		<u>(1,465,052)</u>	
Beginning Net Position	<u>162,377,260</u>		<u>162,377,260</u>		<u>163,842,312</u>	
Ending Net Position	<u>\$151,106,708</u>		<u>\$164,039,551</u>		<u>\$162,377,260</u>	
Net Loss Before Rev Adj and Cap Contributions to Op Revenue	(10.2)		(3.1)		(10.3)	
Change in Net Position to Operating Revenue	(12.8)		2.2		(1.8)	
Debt Service Coverage Before Revenue Adj	3.10		N/A		0.24	fn3
Debt Service Coverage After Revenue Adj	1.00		N/A		0.75	fn3

fn1 Includes an adjustment to unbilled revenues of \$18,758 and (\$1,233) for residential and commercial I customers, respectively.

fn2 Excludes an adjustment to unbilled revenues of (\$2,867) and \$1,785 for residential and commercial I customers, respectively.

fn3 No longer applicable; final principal and interest paid on 12/28/11.

**Muscatine Power and Water - Electric Utility**  
**Statements of Net Position**  
**December 2012**

**ASSETS**

	<u>2012</u>	<u>2011</u>
<b>Current Assets:</b>		
<u>Restricted</u>		
Cash - interest bearing	\$6,032,610	\$9,196,715
Investments	---	916,621
	<hr/>	<hr/>
Total Restricted Current Assets	6,032,610	10,113,336
	<hr/>	<hr/>
<u>Unrestricted</u>		
Cash - interest bearing	10,942,364	3,012
Investments	---	---
Receivables:		
Consumer Accounts	4,770,610 <sup>fn1</sup>	4,995,520
Wholesale	94,579	195,437
Steam Sales	934,531	1,156,009
Interest	623,610	3,996
Intercompanies	17,211	25,821
Inventories	6,685,310	6,741,124
Fuel	12,788,160	15,618,770
Prepaid Expenses	476,547	497,771
	<hr/>	<hr/>
Total Unrestricted Current Assets	37,332,922	29,237,460
	<hr/>	<hr/>
Total Current Assets	43,365,532	39,350,796
	<hr/>	<hr/>
<b>Property and Equipment:</b>		
At Cost	409,363,366	406,977,562
Less Accumulated Depreciation	311,695,925	301,325,190
	<hr/>	<hr/>
Net Property and Equipment	97,667,441	105,652,372
	<hr/>	<hr/>
<b>Other Assets:</b>		
Note Receivable - Communications Utility	35,327,000	35,327,000
Joint Venture Rights	110,558	123,220
	<hr/>	<hr/>
Total Other Assets	35,437,558	35,450,220
	<hr/>	<hr/>
<b>TOTAL ASSETS</b>	<u>\$176,470,531</u>	<u>\$180,453,388</u>

**Muscatine Power and Water - Electric Utility  
Statements of Net Position  
December 2012**

**LIABILITIES AND NET ASSETS**

	<u>2012</u>	<u>2011</u>
<b>Current Liabilities:</b>		
<u>Unrestricted</u>		
Accounts Payable	\$1,385,710	\$2,719,645
Health & Dental Insurance Provision	173,826	196,533
Accrued Payroll	391,786	305,679
Accrued Vacation	1,111,844	1,060,721
Accrued Emission Allowance Expense	66,025	281,807
Consumers' Deposits	574,916	591,265
Accrued Property Taxes	106,319	106,826
Miscellaneous Accrued Expenses	574,969	536,158
Miscellaneous Deferred Credits	13,850	52,850
	<hr/>	<hr/>
Total Unrestricted Current Liabilities	4,399,245	5,851,484
	<hr/>	<hr/>
<b>Non-Current Liabilities:</b>		
Health & Dental Insurance Provision	1,649,735	1,871,417
Post-Employment Health Benefit Provision	168,764	139,991
Consumer Advances for Construction	180,370	180,370
	<hr/>	<hr/>
Total Non-Current Liabilities	1,998,869	2,191,778
	<hr/>	<hr/>
<b>Deferred Revenue - Extraordinary O &amp; M</b>	6,032,866	10,032,866
	<hr/>	<hr/>
<b>Net Position:</b>		
Invested in capital assets, net of related debt	97,667,441	105,652,372
Restricted	6,032,610	10,113,336
Unrestricted	60,339,500	46,611,552
	<hr/>	<hr/>
Total Net Position	164,039,551	162,377,260
	<hr/>	<hr/>
<b>TOTAL LIABILITIES AND NET POSITION</b>	<u>\$176,470,531</u>	<u>\$180,453,388</u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**December 2012**

	<u>Current Month</u>	<u>Year- To-Date</u>
<b>Cash flows from operating activities:</b>		
Cash received from:		
Retail electric sales	\$3,714,605	\$45,676,394
MISO sales	2,231,007	18,991,591
Steam sales	657,814	9,587,689
Coal & transportation allowances	---	310,901
Railcar leasing	183,820	815,280
By-product sales	22,155	561,445
Miscellaneous sources	197,661	1,066,795
Cash paid to/for:		
Suppliers	(692,188)	(9,039,784)
MISO purchases/administration fees	(1,535,512)	(19,056,990)
Coal	(1,071,050)	(17,073,618)
Employees payroll, taxes and benefits	(1,462,011)	(22,163,263)
Net cash flows from operating activities	<u>2,246,301</u>	<u>9,676,440</u>
<b>Cash flows from capital and related financing activities:</b>		
Capital expenditures, net	<u>(69,912)</u>	<u>(3,367,517)</u>
Net cash flows from capital and related financing activities	<u>(69,912)</u>	<u>(3,367,517)</u>
<b>Cash flows from investing activities:</b>		
Purchase of joint venture rights	---	(88,833)
Interest received on investments and note receivable	565	656,238
Amortization/accretion of investments	---	424
Mark to market	---	(18,126)
Net cash flows from investing activities	<u>565</u>	<u>549,703</u>
Net increase in cash and investments	<u>2,176,954</u>	<u>6,858,626</u>
Cash and investments at beginning of period	<u>14,798,020</u>	<u>10,116,348</u>
Cash and investments at end of period	<u><u>\$16,974,974</u></u>	<u><u>\$16,974,974</u></u>

**Muscatine Power and Water - Electric Utility**  
**Statements of Cash Flows**  
**December 2012**

	<u>Current Month</u>	<u>Year- To-Date</u>
Reconciliation of operating loss to net cash flows from operating activities		
Operating loss	(\$311,710)	(\$3,615,441)
Noncash items in operating income:		
Depreciation of electric utility plant	929,362	11,152,344
Amortization of joint venture rights	6,406	101,495
Changes in assets and liabilities:		
Consumer accounts receivable	99,570	224,910
Wholesale receivable	423,370	100,858
Steam sales receivable	(224,270)	221,478
Intercompany receivable	(160,962)	8,611
Inventories	278,807	55,814
Fuel	1,059,414	2,830,610
Prepaid expenses	27,416	21,224
Accounts payable	(39,002)	(1,112,730)
Pension provision	187,324	---
Health & dental insurance provision	69,441	(244,389)
Other post-employment benefit provision	2,006	28,773
Accrued payroll	107,842	86,107
Accrued vacation	17,333	51,123
Accrued emission allowance expense	(268,782)	(215,782)
Consumers' deposits	(2,758)	(16,349)
Accrued property taxes	7,888	(507)
Miscellaneous accrued expenses	37,606	37,291
Miscellaneous deferred credits	---	(39,000)
	<u>---</u>	<u>---</u>
Net cash flows from operating activities	<u>\$2,246,301</u>	<u>\$9,676,440</u>

**Muscatine Power and Water - Electric Utility  
Funds Appropriated for Specific Purposes  
December 2012**

	<u><b>This Year</b></u>	<u><b>Last Year</b></u>
Extraordinary Operation & Maintenance Account	<u>\$6,032,610</u>	<u>\$10,113,336</u>
Total Cash and Investments Appropriated for Specific Purposes	<u>\$6,032,610</u>	<u>\$10,113,336</u>

**Muscatine Power and Water - Electric Utility  
Summary of Expenses  
Current Month - December 2012**

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Purchased Power</u></b>	<u>\$1,751,324</u>	28.0	<u>\$1,508,251</u>	22.9	<u>\$1,547,763</u>	23.7
Average price per kWh	\$0.0244		\$0.0215		\$0.0215	
<b><u>Generation</u></b>						
Operation Supervision	80,387		72,812		77,963	
Fuel:						
Coal	1,856,094		1,894,222		1,904,233	
Fuel Oil	17,500		430		49,056	
Gas	25,000		21,303		5,471	
Coal Handling Expense	66,114		68,250		64,643	
Landfill Operation Expense	1,961		10,461		6,002	
Emissions Allowance Expense	---		(37,535)		5,177	
Steam Expense:						
Boiler	106,997		105,003		100,584	
Pollution Control	43,250		34,985		32,093	
Electric Expense	92,383		98,114		100,242	
Miscellaneous Steam Power Expense	106,658		101,169		112,242	
Maintenance:						
Supervision	82,265		70,746		73,964	
Structures	58,914		37,266		102,592	
Boiler Plant:						
Boiler	147,163		107,829		196,171	
Pollution Control	24,874		37,082		33,016	
Electric Plant	43,023		71,316		37,012	
System Control	22,359		14,846		19,110	
Miscellaneous Steam Plant	55,451		58,125		61,157	
Coal Handling Equipment	181,179		139,640		70,274	
System Control and Load Dispatch	54,485		23,994		56,640	
Vacation, Holiday, Sick Leave	144,737		155,409		154,006	
Depreciation	<u>623,299</u>		<u>622,359</u>		<u>620,375</u>	
<b>Total Generation Expense</b>	<u>\$3,834,093</u>	61.2	<u>\$3,707,826</u>	56.3	<u>\$3,882,023</u>	59.5

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - December 2012**

	<b>Budget Estimate</b>		<b>This Year</b>		<b>Last Year</b>	
<b>Purchased Power</b>	<b>\$27,468,051</b>	31.1	<b>\$19,100,202</b>	24.9	<b>\$24,756,612</b>	29.8
Average price per kWh	\$0.0320		\$0.0220		\$0.0281	
 <b><u>Generation</u></b>						
Operation Supervision	985,216		907,761		950,386	
Fuel:						
Coal	23,616,777		18,776,329		21,140,538	
Fuel Oil	213,233		179,400		333,581	
Gas	205,000		154,882		181,521	
Coal Handling Expense	793,896		727,131		743,374	
Landfill Operation Expense	81,295		72,766		119,793	
Emissions Allowance Expense	---		43,881		299,625	
Steam Expense:						
Boiler	1,396,027		1,148,147		1,238,901	
Pollution Control	616,632		406,978		439,633	
Electric Expense	1,179,857		1,123,941		1,093,178	
Miscellaneous Steam Power Expense	1,861,291		1,857,833		1,725,369	
Maintenance:						
Supervision	981,075		936,814		1,015,424	
Structures	936,437		627,027		840,257	
Boiler Plant:						
Boiler	3,257,162		2,082,338		3,673,732	
Pollution Control	616,495		777,674		1,165,362	
Electric Plant	827,242		522,630		2,505,068	
System Control	279,108		200,703		241,950	
Miscellaneous Steam Plant	741,901		770,046		681,116	
Coal Handling Equipment	1,411,760		945,185		1,228,173	
System Control and Load Dispatch	782,742		343,457		590,224	
Vacation, Holiday, Sick Leave	1,226,010		1,219,109		1,156,360	
Depreciation	7,479,593		7,468,308		7,444,500	
 <b>Total Generation Expense</b>	 <b>\$49,488,749</b>	 56.0	 <b>\$41,292,340</b>	 53.9	 <b>\$48,808,065</b>	 58.7

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - December 2012**

	<b>Budget Estimate</b>		<b>This Year</b>		<b>Last Year</b>	
<b><u>Transmission</u></b>						
Operation Supervision	\$3,936		\$2,675		\$3,054	
Load Dispatching	8,031		43,430		9,359	
Station Expense	7,152		3,892		10,154	
Overhead Line Expense	125		568		---	
Transmission of Electricity by Others	---		2,601		---	
Miscellaneous Transmission Expense	10,529		3,889		6,014	
Maintenance:						
Supervision	2,061		1,458		1,068	
Structures	29		---		---	
Station Equipment	5,361		2,507		2,646	
Overhead Lines	6,260		(2,535)		(49,949)	
Vacation, Holiday, Sick Leave	8,770		13,416		7,932	
Depreciation	30,643		30,625		30,592	
Tax on Rural Property	5,606		5,944		6,616	
<b>Total Transmission Expense</b>	<b>88,503</b>	<b>1.4</b>	<b>108,470</b>	<b>1.6</b>	<b>27,486</b>	<b>0.4</b>
<b><u>Distribution</u></b>						
Operation Supervision	11,325		8,977		6,611	
Load Dispatching	34,055		28,340		30,363	
Station Expense	6,775		4,549		7,278	
Overhead Line Expense	2,684		6,165		3,298	
Vehicle Expense	16,506		21,823		14,006	
Underground Line Expense	3,186		1,808		2,412	
Street Lighting	1,514		4,203		2,405	
Signal Expense	570		383		63	
Meter Expense	7,965		9,460		8,126	
Consumer Installation Expense	1,203		1,137		1,110	
Miscellaneous Distribution Expense	55,771		37,253		59,224	
Maintenance:						
Supervision	10,068		8,313		5,698	
Structures	374		---		---	
Station Equipment	10,287		10,779		8,312	
Overhead Lines	60,285		42,277		69,969	
Underground Lines	8,362		3,990		6,127	
Line Transformers	3,885		4,522		3,038	
Street Lighting	5,098		1,767		3,429	
Signal System	2,103		1,820		5,993	
Meters	2,081		3,936		320	
Miscellaneous Distribution Plant	3,007		1,871		1,395	
Vacation, Holiday, Sick Leave	41,236		53,729		38,816	
Depreciation	152,683		152,158		148,879	
Tax on Rural Property	1,674		1,775		1,976	
<b>Total Distribution Expense</b>	<b>\$442,697</b>	<b>7.1</b>	<b>\$411,035</b>	<b>6.2</b>	<b>\$428,848</b>	<b>6.6</b>

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Calendar Year-to-Date - December 2012**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Transmission</u></b>						
Operation Supervision	\$47,145		\$43,866		\$25,269	
Load Dispatching	90,356		606,155		133,991	
Station Expense	90,804		86,680		99,187	
Overhead Line Expense	950		3,786		9,534	
Transmission of Electricity by Others	---		31,824		---	
Miscellaneous Transmission Expense	137,647		84,972		145,059	
Maintenance:						
Supervision	24,463		20,184		18,807	
Structures	9,609		---		7,955	
Station Equipment	72,014		47,994		54,280	
Overhead Lines	132,696		129,799		127,449	
Vacation, Holiday, Sick Leave	74,533		74,140		65,558	
Depreciation	367,717		367,500		367,104	
Tax on Rural Property	67,268		67,572		69,990	
<b>Total Transmission Expense</b>	<u>1,115,202</u>	1.3	<u>1,564,472</u>	2.0	<u>1,124,183</u>	1.4
<b><u>Distribution</u></b>						
Operation Supervision	135,630		119,980		113,441	
Load Dispatching	392,239		340,209		351,969	
Station Expense	84,281		69,638		87,071	
Overhead Line Expense	42,477		27,431		55,387	
Vehicle Expense	198,105		176,735		175,003	
Underground Line Expense	39,853		35,966		31,976	
Street Lighting	18,673		20,715		26,865	
Signal Expense	10,505		2,894		1,613	
Meter Expense	102,610		117,065		103,229	
Consumer Installation Expense	14,097		16,824		18,415	
Miscellaneous Distribution Expense	689,043		619,533		640,719	
Maintenance:						
Supervision	124,375		108,092		108,318	
Structures	10,017		---		3,094	
Station Equipment	141,829		87,428		113,941	
Overhead Lines	787,690		563,505		584,965	
Underground Lines	100,567		86,497		57,145	
Line Transformers	60,275		65,704		59,107	
Street Lighting	63,516		32,886		53,185	
Signal System	28,364		55,105		53,595	
Meters	28,022		11,865		28,507	
Miscellaneous Distribution Plant	36,086		23,553		19,895	
Vacation, Holiday, Sick Leave	345,387		351,119		308,162	
Depreciation	1,832,201		1,825,896		1,786,548	
Tax on Rural Property	20,093		20,189		20,918	
<b>Total Distribution Expense</b>	<u>\$5,305,935</u>	6.0	<u>\$4,778,829</u>	6.2	<u>\$4,803,068</u>	5.8

**Muscatine Power and Water - Electric Utility**  
**Summary of Expenses**  
**Current Month - December 2012**

	<u>Budget</u> <u>Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$20,065		\$15,187		14,305	
Energy Efficiency Rebates	21,788		43,110		50,733	
Electric Ranges/Dryers Maintenance	460		153		711	
Electric Water Heaters Maintenance	183		---		89	
<b>Total Customer Service Expense</b>	<b>42,496</b>	<b>0.7</b>	<b>58,450</b>	<b>0.9</b>	<b>65,838</b>	<b>1.0</b>
<b><u>Consumer Accounts</u></b>						
Supervision	2,069		1,442		1,293	
Meter Reading Expense	8,456		8,756		8,696	
Consumer Records and Collection	31,265		26,539		26,843	
Uncollectible Accounts Expense	2,403		48,819		12,931	
Vacation, Holiday, Sick Leave	6,413		6,943		6,295	
<b>Total Consumer Accounts Expense</b>	<b>50,606</b>	<b>0.8</b>	<b>92,499</b>	<b>1.4</b>	<b>56,058</b>	<b>0.9</b>
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	173,845		148,775		141,273	
Office Supplies and Expenses	17,045		11,422		15,378	
Outside Services Employed	74,711		39,009		56,763	
Property Insurance	46,880		46,620		38,809	
Casualty Ins, Injuries & Damages	37,801		55,905		23,075	
Employee Pensions and Benefits	494,280		500,152		459,345	
Fringe Benefits Charged to Constr.	(12,553)		(20,846)		(16,100)	
Regulatory Commission	4,400		(32,479)		8,082	
Miscellaneous General Expense	40,760		34,131		47,410	
Maintenance of General Plant	24,691		22,640		22,137	
Maintenance of A/O Center	25,713		25,866		36,814	
Vacation, Holiday, Sick Leave	43,992		53,055		38,636	
Depreciation	129,396		124,220		121,760	
<b>Total Administrative and General</b>	<b>1,100,961</b>	<b>17.6</b>	<b>1,008,470</b>	<b>15.3</b>	<b>993,382</b>	<b>15.2</b>
<b>Total Operating Expense</b>	<b>\$7,310,680</b>		<b>\$6,895,001</b>		<b>\$7,001,398</b>	
<b>Percent to Operating Revenue</b>		<b>116.7</b>		<b>104.7</b>		<b>107.3</b>

**Muscatine Power and Water - Electric Utility  
Summary of Expenses  
Calendar Year-to-Date - December 2012**

	<u>Budget Estimate</u>		<u>This Year</u>		<u>Last Year</u>	
<b><u>Customer Service Expense</u></b>						
Customer Information Expense	\$239,638		\$114,185		185,913	
Energy Efficiency Rebates	266,460		210,876		186,571	
Electric Ranges/Dryers Maintenance	5,937		5,204		4,992	
Electric Water Heaters Maintenance	<u>2,096</u>		<u>1,014</u>		<u>1,433</u>	
Total Customer Service Expense	<u>\$514,131</u>	0.6	<u>\$331,279</u>	0.4	<u>\$378,909</u>	0.5
<b><u>Consumer Accounts</u></b>						
Supervision	24,007		24,186		23,909	
Meter Reading Expense	101,770		103,665		98,644	
Consumer Records and Collection	373,304		356,285		341,050	
Uncollectible Accounts Expense	28,830		75,246		34,289	
Vacation, Holiday, Sick Leave	<u>52,558</u>		<u>56,799</u>		<u>49,888</u>	
Total Consumer Accounts Expense	<u>580,469</u>	0.7	<u>616,181</u>	0.8	<u>547,780</u>	0.7
<b><u>Administrative and General</u></b>						
Administrative and General Salaries	2,055,296		1,969,048		1,903,135	
Office Supplies and Expenses	236,095		193,944		166,954	
Outside Services Employed	881,261		663,451		678,358	
Property Insurance	538,346		536,009		472,314	
Casualty Ins, Injuries & Damages	453,606		547,928		447,527	
Employee Pensions and Benefits	6,048,968		5,895,572		5,592,281	
Fringe Benefits Charged to Constr.	(196,776)		(261,285)		(271,197)	
Regulatory Commission	52,800		25,892		62,637	
Miscellaneous General Expense	434,205		398,329		417,380	
Maintenance of General Plant	307,593		274,015		282,188	
Maintenance of A/O Center	470,364		440,321		408,065	
Vacation, Holiday, Sick Leave	366,564		349,000		327,688	
Depreciation	<u>1,552,755</u>		<u>1,490,640</u>		<u>1,461,120</u>	
Total Administrative and General	<u>13,201,077</u>	14.9	<u>12,522,864</u>	16.4	<u>11,948,450</u>	14.4
Total Operating Expense	<u>\$97,673,614</u>		<u>\$80,206,167</u>		<u>\$92,367,067</u>	
Percent to Operating Revenue		110.6		104.7		111.0

**Muscatine Power and Water - Electric Utility  
Statistical Data  
December 2012**

**Total Fuel Cost  
(To & Including Ash Handling, Gas & Oil)**

	<u>Current Month</u>		<u>Calendar Year-To-Date</u>	
	<u>2012</u>	<u>2011</u>	<u>2012</u>	<u>2011</u>
Per Million Btu.	\$1.841	\$1.860	\$1.857	\$1.735
Per Net MW Generated	\$20.73	\$20.65	\$20.89	\$19.37
 Net Peak Monthly Demand-KW	 112,290	 114,310	 138,450	 140,880
Date of Peak	12/10	12/5	7/5	7/20
Hour of Peak	1400	1900	1500	1500
 Average Temperature	 32°	 33°		
 <u>Services</u>	 <u>2012</u>	 <u>2011</u>		
Residential	9,744	9,729		
Commercial I	1,391	1,389		
Commercial II	111	118		
Industrial I	11	11		
Industrial II	2	2		
City Enterprise Funds	22	22		
Water & Communications Utility	34	33		
 Total	 <u><u>11,315</u></u>	 <u><u>11,304</u></u>		

**Muscatine Power and Water - Electric Utility  
Wholesale Sales Analysis  
Current Month - December 2012**

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales</b>	<b><u>83,975,280</u></b>		<b><u>71,776,490</u></b>		<b><u>71,240,005</u></b>	
<b>Wholesale Sales</b>	<b><u>\$2,323,127</u></b>	<b><u>\$0.0277</u></b>	<b><u>\$1,794,562</u></b>	<b><u>\$0.0250</u></b>	<b><u>\$1,788,217</u></b>	<b><u>\$0.0251</u></b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil) Emissions: <sup>fn1</sup>	1,894,339	0.0226	1,391,945	0.0194	1,385,431	0.0194
SO <sup>2</sup> Allowances <sup>fn2</sup>	15,377	0.0002	19	0.0000	18	0.0000
NO <sub>x</sub> Allowances <sup>fn3</sup>	38,366	0.0005	3,840	0.0001	1,449	0.0000
Other <sup>fn4</sup>	<u>196,292</u>	<u>0.0023</u>	<u>192,761</u>	<u>0.0027</u>	<u>278,856</u>	<u>0.0039</u>
<b>Total Variable Costs</b>	<b><u>2,144,374</u></b>	<b><u>0.0255</u></b>	<b><u>1,588,565</u></b>	<b><u>0.0221</u></b>	<b><u>1,665,754</u></b>	<b><u>0.0234</u></b>
<b>Gross Margin</b>	<b><u>\$178,753</u></b>	<b><u>\$0.0021</u></b>	<b><u>\$205,997</u></b>	<b><u>\$0.0029</u></b>	<b><u>\$122,463</u></b>	<b><u>\$0.0017</u></b>
<b>Percent Gross Margin</b>	<b>7.7%</b>		<b>11.5%</b>		<b>6.8%</b>	

**Calendar Year To Date**

	<u>Modified Budget</u>	<u>\$/kWh</u>	<u>This Year</u>	<u>\$/kWh</u>	<u>Last Year</u>	<u>\$/kWh</u>
<b>Wholesale kWh Sales</b>	<b><u>1,008,578,222</u></b>		<b><u>679,240,223</u></b>		<b><u>841,976,026</u></b>	
<b>Wholesale Sales</b>	<b><u>\$35,303,820</u></b>	<b><u>\$0.0350</u></b>	<b><u>\$19,116,472</u></b>	<b><u>\$0.0281</u></b>	<b><u>\$27,669,624</u></b>	<b><u>\$0.0329</u></b>
<b>Variable Costs</b>						
Fuel (Coal, Gas & Fuel Oil) Emissions: <sup>fn1</sup>	21,067,462	0.0209	13,250,052	0.0195	15,727,838	0.0187
SO <sup>2</sup> Allowances <sup>fn2</sup>	534,590	0.0005	659	0.0000	3,018	0.0000
NO <sub>x</sub> Allowances <sup>fn3</sup>	1,617,250	0.0016	46,285	0.0001	205,076	0.0002
Other <sup>fn4</sup>	<u>2,355,504</u>	<u>0.0023</u>	<u>2,317,047</u>	<u>0.0034</u>	<u>3,049,796</u>	<u>0.0036</u>
<b>Total Variable Costs</b>	<b><u>25,574,806</u></b>	<b><u>0.0254</u></b>	<b><u>15,614,043</u></b>	<b><u>0.0230</u></b>	<b><u>18,985,728</u></b>	<b><u>0.0225</u></b>
<b>Gross Margin</b>	<b><u>\$9,729,014</u></b>	<b><u>\$0.0096</u></b>	<b><u>\$3,502,429</u></b>	<b><u>\$0.0052</u></b>	<b><u>\$8,683,896</u></b>	<b><u>\$0.0103</u></b>
<b>Percent Gross Margin</b>	<b>27.6%</b>		<b>18.3%</b>		<b>31.4%</b>	

fn1 CSAPR was to be in place 1/1/12 and allowances granted were expected to meet our native system electric needs.

Allowance costs are based on budgeted and market prices for allowances:

	<u>Budget</u>	<u>2012</u>	<u>2011</u>
fn2 SO <sup>2</sup> (Acid Rain Program)	\$2.00	\$0.50	\$0.50
YTD SO <sup>2</sup>	30.00	1.22	4.29
fn2 SO <sup>2</sup> (CSAPR)	1,000.00	---	---
fn3 NO <sub>x</sub> annual	500.00	40.00	17.50
NO <sub>x</sub> seasonal	1,300.00	0.00	0.00
fn3 YTD NO <sub>x</sub> annual	400.00	40.80	153.45
YTD NO <sub>x</sub> seasonal	50.00	8.96	12.70

fn4 Other includes variable generation O&M, rail car cost, and Title V permit fees. Costs included have been amortized evenly over the year.